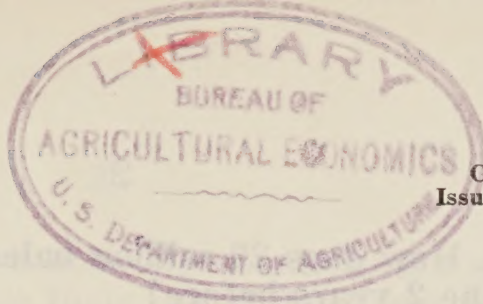


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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

WASHINGTON, D. C.

AMERICA'S COTTON-PRODUCTION PROBLEM FOR 1935

I. SUPPLY OF AMERICAN COTTON, 1934-35 SEASON

Question 1. What is the carry-over of American cotton for the 1934-35 season?

Answer. On August 1, 1934, the world carry-over of American cotton was 10,634,000 bales.

Question 2. Is this a large or small carry-over compared with past supplies?

Answer. This is the third largest carry-over of record, and was approximately 4 million bales larger than the average for the 14 years ending with 1933-34.

Question 3. Is it smaller than the burdensome carry-overs of the two previous seasons?

Answer. Yes; but it is still very large, being only about 2,300,000 bales smaller than the enormous carry-over on August 1, 1932, of 13,000,000 bales, which was the largest in history.

Question 4. How much will this cotton on hand be increased by this year's crop?

Answer. On October 1, 1934, this year's cotton production was estimated at 9,443,000 bales.

Question 5. Is this a large or small crop compared with past crops?

Answer. It is the smallest crop since 1921-22, and one of only three crops that have fallen below 13 million bales since 1920-21.

Question 6. Isn't the small crop due to the drought?

Answer. Only in part, because the 27,200,000 acres grown this year was also the smallest acreage since 1920-21.

Question 7. Adding the carry-over on hand August 1 to the new crop, what is the total or world supply of American cotton for the 1934-35 season?

Answer. About 20 million bales.

Question 8. Is this large or small compared with past supplies?

Answer. The average for the past 14 years has been about 20 million bales. The current supply is adequate to meet the highest consumption requirements of record and leave a carry-over large enough to provide protection against the possibility of succeeding short crops.

Question 9. How does 20 million bales compare with the supply in 1933 and the 2 years before?

Answer. The supply after the plow-up campaign in 1933 was 24,800,000 bales; in each of the two seasons previous to 1933 it was 26,000,000 bales.

Question 10. Why is this supply large enough to meet all demands for cotton in this country and abroad?

Answer. The most American cotton ever used in one season was 15,800,000 bales in 1926-27. Only a little over 12,000,000 bales was used when the price was down to 5.7 cents in the 1931-32 season. Consumption for 1933-34 was 13,500,000 bales of American cotton.

Question 11. With average consumption through this year, how much carry-over will there probably be in August 1935, when farmers begin to sell their 1935 crop?

Answer. With average consumption for the current cotton year, the carry-over in August 1935 would be about 7,000,000 bales, compared with 5,309,000 bales, the average annual carry-over from 1920 through 1930. However, if consumption is below average for the 1934-35 season, the carry-over will be above 7,000,000 bales.

II. CONSUMPTION OF AMERICAN COTTON IN 1933-34

Question 12. What was the United States consumption of American cotton for 1933-34?

Answer. About 5,600,000 bales.

Question 13. How does this consumption compare with the average for the 14 years ending with 1933-34?

Answer. This is slightly below the 14-year average, which was about 5,800,000 bales.

Question 14. What is the outlook for United States consumption of American cotton for the 1934-35 season?

Answer. This will depend upon continued improvement in employment, pay rolls, farm income, and industrial production, together with relief programs. Since 40 percent of cotton consumed in America is for industrial uses, the levels of industrial production and cotton consumption rise and fall together. Therefore the prospects for domestic cotton consumption are most closely linked with the prospects for a revival of industrial activity.

Question 15. What was the foreign consumption of American cotton for the 1933-34 season?

Answer. About 8 million bales.

Question 16. How does this compare with the average for the 14 years ending with 1933-34?

Answer. This is a little over 500,000 bales more than the average for the 14 years.

Question 17. What is the outlook for foreign consumption of American cotton in the 1934-35 season?

Answer. With large supplies of foreign cottons, there is a tendency to substitute them for American cotton. This is due to several factors. Among the reasons for the substitution of foreign cotton is

the fact that foreign cotton-consuming countries are compelled by economic pressure to purchase their raw cotton from countries that in turn buy the products of the country purchasing their cotton. The amount of cotton exported by the United States to the principal cotton-consuming countries during the current season will depend to a large extent upon the amount of trade these countries have with the United States.

Question 18. What was the total or world (United States plus foreign) consumption of American cotton for the 1933-34 season?

Answer. About 13,500,000 bales.

Question 19. How does this compare with the average for the 14 years ending with 1933-34?

Answer. This was the sixth highest total consumption for any one season and was about 400,000 bales above the average for the 14 years.

Question 20. What is the outlook for total consumption of American cotton in the 1934-35 season?

Answer. The probability is that total consumption of American cotton will exceed that of the 1930-31 season, which was about 11 million bales, but will not likely be as large as that of last season, 1933-34.

III. COTTON ACREAGES, 1934 AND 1935

Question 21. What is the estimated acreage to be harvested for the 1934-35 season?

Answer. The acreage to be harvested in 1934 is slightly above 27 million acres, as given in the October 1 crop report.

Question 22. How does this compare with the average acreage for the 14 years ending with 1933-34?

Answer. The average acreage harvested for the 14 years was about 38 million acres.

Question 23. Will the signing of contracts be opened so that those who did not sign 1934 and 1935 contracts will be given opportunity to sign a contract for 1935 and receive rental and parity payments in 1935?

Answer. Arrangements will be made whereby those producers who did not sign a 1934 and 1935 reduction contract will be permitted to enter into an adjustment contract for 1935.

Question 24. Are measures other than the voluntary program available to keep the total acreage within the desired amount?

Answer. Yes; the Bankhead Act can be continued through the 1935 season, if the President finds and proclaims that the emergency in cotton production and marketing will continue next year, and if the Secretary of Agriculture determines that two-thirds of the producers favor it. Producers will have an opportunity to vote on it so that the Secretary may determine whether cotton farmers want it continued for 1935.

For further information see your cotton committeeman, vocational agriculture teacher, or county agent.

